

Technology Commercialization & Innovation Program (TCIP)

Draft Policy October, 2014

The purpose of the Technology Commercialization & Innovation Program (TCIP) is to accelerate the commercialization of promising technologies that have strategic value for Utah. The end goal of the TCIP Program is to help drive economic development and job creation.

The Technology Commercialization & Innovation Program (former known as the Centers of Excellence Program) is a State funded GRANT program developed by the Utah Legislature in 1986 to help accelerate the process of taking university-developed innovative technologies to market, thereby driving economic development and creating jobs for Utahns.

Historically, the TCIP statute permitted grants only to technologies derived from Utah universities, however, in 2014 the Legislature passed and the Governor signed into law, changes to the TCIP statute to permit grants to both companies who license technology developed at Utah's colleges and universities, and small businesses, as defined by the Small Business Administration's industry definition, who are commercializing technology.

As a result of this legislative change, The Governor's Office of Economic Development (GOED) anticipates a sharp increase in the number and diversity of applications. It is therefore necessary to revise the process for selection and administration of the TCIP program. These include changes to grant value, eligibility, solicitation cycle and mentoring.

This document is intended to address policies needed to guide the administration of the TCI Program and is intended to supplement the TCIP Rules.

General Guidelines

Please read the following guidelines carefully as they have been updated since the last solicitation

Public Information Notice - PLEASE READ:

PLEASE NOTE:

A) That all information provided in the TCIP grant application as well as during the in-person presentation to the TCIP Reviewers and the TCIP administrators and GOED staff, is public information. Applicants should be careful to not divulge any, non-public, confidential, or proprietary information that they do not want disclosed as public information in the TCIP application and review process. The State of Utah assumes no liability for non-public, confidential or proprietary information that is disclosed, intentionally or unintentionally, during the TCIP review and application process.

B) Submission of a TCIP grant application does not guarantee review by TCIP Review Panel. Small business applications are selected to present to the TCIP Review Panel only upon a full review by the pre-screening panel. University-licensed technology applications will only be selected for review by the TCIP Review Panel after a review by a Qualified Pre-screening entity. All applicants,

whose applications are accepted, will be given the opportunity to give an in-person presentation to the TCIP review panel.

C) With the inclusion of small businesses, the Fall 2014 solicitation will be preceded by a pre-application process intended to determine eligibility and understand the areas of proposed technology. Eligible teams must submit a Letter of Intent in order to proceed with the TCIP application.

OBJECTIVE

The objective of TCIP is to accelerate the process of taking cutting-edge technologies developed at Utah' colleges, universities and small businesses, to market, thereby driving economic development and job creation for Utah citizens. The program does not fund research projects. Rather, TCIP funds are to support early-stage technology commercialization efforts. Traditionally, there are more funds available for research (such as federal funds) than there are for early stage commercialization. Many early-stage commercialization projects and companies struggle to attract investor funding which causes many of them to stagnate or fail. The TCIP grant is intended to help bridge this gap by making more capital available to commercialization efforts.

DEFINITIONS

Institution: A Utah college or university that is developing a technology.

Licensee: A Utah company that has licensed a technology from a Utah college or university.

University Team: A faculty-led technology project at an Institution.

Small Business: As defined by the Small Business Administration ([See Definition](#))

Small Business Innovation Research (SBIR): Federal program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization.

Small Business Technology Transfer Research (STTR): Federal program designed to stimulate technological innovation, foster technology transfer through cooperative R&D between small businesses and research institutions and increase private sector commercialization of innovations derived from federal R&D.

Proposal: The commercialization and work plan outlined in an application.

Grant Awardee: An applicant whose proposal has been approved for TCIP funding.

Qualified Pre-screening Entity (for University teams or licensees): The TCO/TTO office at U of U, BYU, USU or USTAR.

Pre-screening Panel (for small businesses): The pre-screening panel will be made up of at least three members and may include Cluster Directors within the Governor's Office of Economic Development, USTAR affiliates, other State agencies and industry professionals capable of assessing new technology within specific areas. The Pre-screening Panel recommends grant applications to the TCIP Review Panel.

TCIP Review Panel (for small businesses, University teams and licensees): The TCIP Review Panel is comprised of industry leaders, technologists and government experts with demonstrated knowledge in assessing new technologies. Panelists are selected by GOED and should have expertise within the specific field of technology under review. The TCIP Review Panel makes Grant Awardee recommendations to the Executive Director of GOED.

APPLICATION DATES

Timelines established for major activities in the TCIP Process for FY2015 are:

Pre-Application opening 9/22/14

Pre-Application closing 10/10/14

Application opening 10/13/14

Application closing 11/3/14

In-person presentation/review 11/20/14

GRANT AMOUNTS

FY2015 Grants are up to \$100,000 per technology. Only one technology per applicant or entity will be reviewed.

WEB PORTAL FOR ON-LINE APPLICATIONS

The TCIP program employs a web interface to accept Pre-Applications and applications on-line. This web portal is linked to a Salesforce database that collects and stores data from applicants. The application process has been modified to accommodate recent legislative changes that allow for small businesses to receive TCIP funding. This requires an additional screening portal to assess eligibility based on the Small Business Administration's Definition of "small business", which are based on either revenue or number of employees. A list of information requested in the Application can be found in Appendix A.

PRE-APPLICATION PROCESS

For FY2015, GOED has established a Pre-Application process. The purpose of this process is to screen for eligibility and to determine the number and nature technologies that are anticipated in the Review Process. Using this information, GOED will recruit members of the local community that will comprise the TCIP Review Panel.

APPLICATION PROCESS

The TCIP will perform a high-level overview of each application to ensure that it is in compliance and meets the minimum standards. Applicant will be notified via email of any adjustments that need to be made to the application stemming from this initial review, and will thereafter have 72 hours within which to make the necessary changes and resubmit their application. Failure to re-submit mandatory changes will disqualify the application from eligibility for that application round. Applications that are not considered consistent with the intent of the TCIP Program may not be recommended for presentations to the TCIP Review Panel. A 10-slide PowerPoint Presentation is required to be submitted with your application. If your application is accepted, these slides should be used during your in-person presentation. A 2-slide summary of your application is also required and must accompany the application. Please use the templates provided. Formatting, font, color, etc. must remain the same. Applicants may also upload a maximum of 2 letters of recommendation to support their application. Do not submit any additional documentation with the application. The complete application packet includes:

- a) Online Application
- b) 10-slide Presentation Template c) 2-slide Summary Template
- d) Optional letters of recommendation (2 maximum)

REVIEW PROCESS

The Pre-Screening Review Panel will perform an in-depth review of submitted applications from Small Businesses. Those that do not meet the intention of the TCIP will not be recommended to present to the TCIP Review Panel. If this occurs, the Applicant will be notified on writing of the reason(s) for this rejection.

The TCIP Review Panel is assembled by the GOED staff. Panelists are allowed to review recommended grant applications at least 10 days in advance of in-person presentations.

Criteria used to determine grant awardees: The following criteria are used as the basis for recommending an applicant's proposal for funding:

1. Quality, diversity, and number of jobs in Utah (i.e. average salary, benefits etc)
2. Quality of management and leadership, including experience in startups or commercialization
3. Strength of the company's technology and potential for commercialization
4. Size and growth of the market for the proposed technology
5. Company's ability to sell and market the technology and credibility of their "go-to-market" strategy
6. Strength of the company's overall value proposition and competitive advantage

In-person presentation: Applicants will be required to give a 10-minute in-person presentation of their proposal to the TCIP Review Council. This presentation typically takes place within three weeks after the close of the solicitation. A planned date is shown on the first page of this solicitation; however, applicants will be notified via email of the confirmed date, time and venue of the presentation. There are no alternative dates, but the applicants may send a representative to present their proposal, except for persons associated with a pre-screening entity. Within two weeks following the reviews, applicants will be notified whether or not they were awarded a TCIP grant.

Use of Funds: Use of funds must be detailed in the application. The TCIP allows for a broad use of the grant funds including but not limited to: prototyping, testing, marketing, travel expenses to trade shows, etc. TCIP grant funds must be used to develop/commercialize the proposed technology.

Milestones: The TCIP considers the acquisition of matching funds to be a first milestone. Applicants are required to outline three to five additional milestones in their application.

Completing & Submitting the TCIP grant application: Applications must be submitted by the deadline shown on the front page of this solicitation. Please note that late applications will not be accepted.

CONTRACTS

As specified in [Rules R357-11-7 (1) a. An applicant who is awarded a TCIP grant must sign a contract with the State of Utah prior to receiving any funds.

Agreement: Links to a sample Licensee and University Agreement can be found at the end of this document. After the grant awardee signs and returns the agreement to the State, it is then processed and the grant awardee may thereafter submit an invoice to the State for the funds.

Disbursement of funds: The TCIP grant funds will be disbursed as follows:

First payment: Up to 50% of grant funds.

Second Payment: Remaining balance will be paid upon completion of additional milestones as outlined in grant recipient's proposal or upon Review Panel recommendations.

AMENDMENTS TO THE CONTRACT: If the TCIP Recipient has a legitimate reason to amend the contract, a written request should be submitted to the Director of the TCIP Program.

PROPRIETARY INFORMATION/CONFIDENTIALITY AGREEMENTS (GRAMA): Site visitors representing the program will sign the standard non-disclosure agreements. The program will protect proprietary information submitted to the extent possible. See GRAMA information. (<http://www.archives.state.us.us/recmanag/grama95.htm>)

APPENDIX A

Application Questions

If you are a previous grant applicant, please enter application title of your previous grant application(s) (separated by commas. Enter N/A if not applicable)

Has the Applicant previously applied to the TCIP or Centers of Excellence (COE) program for a grant to support this technology

How many times (previous to this application) has applicant applied for AND WON a TCIP or COE grant to support the the current application of the technology, (enter N/A if not applicable)

If Applicant is a previous TCIP Grant Awardee, please enter your TCIP contract number(s) - (separate contract numbers by a commas. Enter N/A if not applicable)

If Applicant is a previous TCIP Grant awardee, please enter each of your your TCIP project titles (located in the heading of your TCIP contract(s))

If the applicant previously won a TCIP grant, how much has the State been invoiced for to-date (enter N/A if not applicable)

If the applicant has previously won a Centers of Excellence award, what was the amount of the grant?

If you had applied for and been turned down for a TCIP grant please tell us how this commercialization proposal is different from the proposals that you previously submitted. (500 characters). Enter N/A if not applicable.

If the applicant previously won a TCIP award, please give an update on the technology and commercialization efforts including milestones achieved, since initial grant award. (1,000 characters). Enter N/A if not applicable.

Is applicant's technology supported all or in part by USTAR funding?

Pre-screening Organization - University Teams must be pre-screened by one of the following entities before applying for a TCIP grant. Small Businesses please select N/A

Is applicant a LICENSEE (has licensed a technology from a university/college in Utah) OR is applicant a UNIVERSITY (Researcher whose technology is based at a Utah college/university). Small Businesses that are not licensee please select N/A.

Name and title of person who conducted the Pre-screening review.

Matching Funds: Indicate expected sources of matching funds (Federal, Private, own funds, etc.)

Economic Cluster Area: Select the category under which this technology falls. If multiple, select the best fit.

Description of Technology: Explain, in non-confidential terms suitable for a general audience, how your technology works and what it does that is truly unique compared to other solutions in the marketplace. (1000 characters)

If a licensee, please explain in specific detail the exact technology you are licensing or planning to license from the affiliated university. (500 max)

Please describe any outside resources needed to take technology to market (e.g. access to facilities, equipment, legal or financial expertise, sales etc.) and potential source of these resources (500 characters)

Management Team: Write brief biographical summaries for the key researchers, technologists or business managers who are participating in developing and commercializing this technology. (1,200 characters)

Market Need: Explain the market need/customer "pain" this technology will help to solve and how you've validated this customer need. Also explain how intense the customer need is that you're solving. (1000 characters)

Market Size: Provide a well-thought-out explanation of the size of the addressable market for your technology (in dollars) and how you determined it. More thorough answers reflect a better understanding of your target market. (1000 characters)

Competition: Give a brief overview of your competitors in the marketplace and your competitive advantages. More thorough answer demonstrate better understanding of the competitive landscape and how you plan to win in the marketplace. (1000 characters)

Sales and Marketing Strategy: How will you market and sell your product? (e.g. online, direct sales, partner, license, etc.?) How have conversations with potential customers and/or partners validated that this will be a good approach? (1000 characters)

Utah Economic Impact: How will commercializing this technology positively affect Utah's economy in the next five years? (e.g. number & type of jobs, avg. salaries, operations in Utah, etc.) Why is Utah a good place to grow this business? (1000 characters)

Stage of Development: Select the category which most accurately describes the technology's current state of development.

Milestone 1 - (700 characters) [FOR ALL MILESTONES - Indicate how you will use TCIP AND matching funds, expected time and cost to complete each milestone, and so forth. Must have a minimum of 3 milestones and not more than 5.]

Milestone 2 (700 characters)

Milestone 3 (700 characters)

Milestone 4 (700 characters)

Milestone 5 (700 characters)

Please type email addresses, separated by commas, for all persons to be included on communications regarding this application.

2-Page Presentation Summary (please use required TCIP PowerPoint template.) Link to template:
<http://1.usa.gov/RSmjo3>

10-page, In-person Presentation (Please use TCIP PowerPoint template.) Link to template:
<http://1.usa.gov/RW5IDT>

Letter of Support #1 (optional)

Letter of Support #2 (optional)